

MULTISTATE TAX COMMISSION

Resolution No. 00-14

**Resolution Regarding the Task Force on EDI Audit and Legal Issues
for Tax Administration**

WHEREAS, the Task Force on EDI Audit and Legal Issues for Tax Administration was established to identify and examine the impact of EDI and related business processes on the tax administration process; and

WHEREAS, the Task Force is comprised of representatives of the Committee on State Taxation, the Institute of Professionals in Taxation, the Tax Executives Institute, the Federation of Tax Administrators, the Multistate Tax Commission and commissioners from several State tax administration agencies; and

WHEREAS, the Task Force has developed 1) a model recordkeeping regulation intended to govern taxpayer retention of books and records, particularly electronically generated and retained records, 2) a white paper examining the various issues related to auditing in an electronic environment, 3) a white paper describing the use tax documentation and verification issues involved with the use of corporate procurement cards, 4) a white paper identifying the tax and documentation issues associated with the use of evaluated receipts settlement processes, 5) a white paper examining sales and use tax compliance agreements, which specify and agreed-upon method for calculating and remitting tax on specified purchases and 6) a model direct payment regulation focusing on the business needs of a taxpayer in determining whether direct pay authority should be granted; and

WHEREAS, the Task Force is currently reviewing issues related to sampling in sales and use tax audits, business-to-business electronic commerce, implementation of electronic exemption certificates and electronic filing of tax information; and

WHEREAS, the work of the Task Force is believed to provide a measure of consistency and uniformity for taxpayers and tax administrators alike; now, therefore, be it

RESOLVED, that the Multistate Tax Commission congratulate the participating States and industry Task Force members who devote their time and efforts to examining the issues associated with emerging electronic business processes and to identifying approaches that meet the needs of taxpayers and tax administrators; and be it further

RESOLVED, that the Multistate Tax Commission respectfully encourage its members to work with taxpayers in addressing issues associated with emerging electronic business processes and to share experiences and approaches with other States and be it further

RESOLVED, that members of the Commission are encouraged to continue to actively participate in the work of the Task Force as it continues to examine those electronic business processes that affect the tax administration process.

Adopted this 28th day of July 2000 by the Multistate Tax Commission.